

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 28, 2019**

Innovative Food Holdings, Inc.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

0-9376
(Commission
File Number)

20-1167761
(IRS Employer
Identification No.)

28411 Race Track Road, Bonita Springs, Florida
(Address of principal executive offices)

34135
(Zip Code)

Registrant's telephone number, including area code: **(239) 596-0204**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

As of January 28, 2019, upon approval by the Company's compensation committee comprised solely of independent directors, we entered into an employment agreement with Mr. Sam Klepfish, our CEO, having an effective date of January 28, 2019 and terminating three years thereafter with up to two two-year extension periods. The agreement provides a base salary in the amount of \$300,000 with annual increases of at least \$25,000 and annual stock compensation of 50% of the base salary. The agreement also provides for additional bonuses of up to 25% of base compensation, based on increases in EBITDA (as defined in the agreement) and increases in our stock price as reflected in our market capitalization and other perquisites and benefits as detailed therein. The agreement also contains change of control, confidentiality, non-compete and non-solicitation provisions.

As of January 28, 2019, upon approval by the Company's compensation committee, we entered into an employment agreement with Mr. Justin Wiernasz, our Director of Strategic Acquisitions, having an effective date of January 28, 2019 and terminating three years thereafter with up to two extension periods; one for two years and one for one year. The agreement provides a base salary in the amount of \$326,000 with annual increases of at least 5% and annual stock compensation of 5% of the base salary. The agreement also provides for additional bonuses of up to 35% of base compensation, and based upon increases in our stock price as reflected in our market capitalization and other perquisites and benefits as detailed therein. The agreement also contains change of control, confidentiality, non-compete and non-solicitation provisions.

As of January 28, 2019 upon approval by the Company's compensation committee we entered into a Director Agreement which provides for an initial one time of grant of \$45,000 cash and \$45,000 of stock to two non-employee directors. The Director Agreement also provides for annual compensation to non-employee directors of \$30,000 cash, payable quarterly and \$30,000 of stock, vesting in equal quarterly amounts over three years. In addition, as compensation for 2019-2021, all directors shall receive a grant of 450,000 stock options which vest quarterly over three years and which are exercisable for five years from the date of grant at exercise prices ranging from \$0.62 - \$1.20. The Director Agreement also contains confidentiality, non-compete and non-solicitation provisions.

The above purports to be only a summary of the terms of the documents and is qualified in its entirety by the terms of the full documents, copies of which are filed as exhibits hereto.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit	Description
10.1	Employment Agreement with Justin Wiernasz dated as of January 28, 2019
10.2	Employment Agreement with Sam Klepfish dated as of January 28, 2019
10.3	Form of Director Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INNOVATIVE FOOD HOLDINGS, INC.

Dated: February 1, 2019

By: /s/ SAM KLEPFISH
Sam Klepfish, CEO

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement"), is entered into as of January 28, 2019, by and between Justin Wiernasz ("Employee") and Innovative Food Holdings, Inc., a Florida corporation (the "Employer" or the "Company") as of January 28, 2019.

WHEREAS, the Employer recognizes that the Employee has had and is expected to continue to have a critical and essential role in guiding the Employer and in developing the Employer's business;

WHEREAS, the Employee is expected to make major contributions to the stability, growth and financial strength of the Employer;

WHEREAS, the Employer has determined that appropriate arrangements should be taken to encourage the continued attention and dedication of the Employee to his assigned duties without distraction;

WHEREAS, in consideration of the Employee's employment with the Employer, the Employer desires to provide the Employee with certain compensation and benefits as set forth in this Agreement; and

WHEREAS, the Employee desires to be employed by the Employer on the terms contained in this Agreement which shall supersede all previous agreements regarding Employee's service as an officer, director and employment by the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Position and Duties.

(a) The Employee shall serve as an employee of the Employer reporting to the Employer's Chief Executive Officer.

(b) The Employer agrees to propose to the shareholders of the Employer at each appropriate meeting of such shareholders during the Term and any Renewal Term, (as such terms are defined below), the election and reelection of the Employee as a member of the Employer's Board of Directors (the "Board").

(c) The Employee shall have such duties, authority and responsibilities as described in Exhibit A. Provided such activities do not interfere with Employee's obligation to the Employer, the Employee shall be entitled to (i) serve as an advisor or member of the board of directors of unaffiliated companies, (ii) serve on civic, charitable, educational, religious, public interest or public service boards, (iii) manage the Employee's personal and family investments, and (iv) engage in and/or have an ownership interest in other businesses. In addition, the Employee has disclosed to the Employer his involvement in entities and investments other than the Employer (collectively, the "Outside Activities"). The Employer shall permit the Employee to continue to engage in the Outside Activities. The Company shall also permit

the Employee to engage in other business related activities provided that the Employee agrees to disclose to the Employer any actual or potential conflict of interest arising out of any such Outside Activity.

2. Term. This Agreement and Employee's employment hereunder shall be for an initial term of three (3) years commencing on the date hereof (the "Effective Date") and ending on the third anniversary of the Effective Date, unless terminated earlier by the Employer or the Employee pursuant to Section 4 of this Agreement (the "Term"). Thereafter, at the election of the Employee and the Employer, this Agreement may be extended for an additional two (2) years (the "First Extension"). Thereafter, at the election of the Employee and the Employer, this Agreement may be extended for an additional one (1) year (the "Second Extension"). Each First Extension and Second Extension shall be referred to as a Renewal Term. The date upon which this Agreement would terminate if both extensions are elected shall be referred to as the Expiration Date.

3. Compensation and Related Matters.

(a) Base Salary. The Employee's initial annual base salary shall be \$326,000 subject to applicable withholdings (the "Base Salary"). The Base Salary shall be payable in accordance with the Employer's normal payroll procedures in effect from time to time. The Base Salary shall increase five percent (5%) per annum during the Term of this Agreement. The CEO shall review the Base Salary annually and may increase the Base Salary, and the term "Base Salary" shall refer to such increased amount.

(b) Annual Bonus. The Employee shall receive \$25,000 cash bonus and \$25,000 equity bonus to be paid by the second quarter of 2019. During the Term, the Employee may receive an annual cash bonus or equity grant, in respect of each full or partial fiscal year of the Employer occurring during the Term, any Stock Compensation, as well as other cash and/or stock bonuses, as determined in the sole discretion of the CEO based on his assessment of Employer and individual performance in relation to performance targets, a subjective evaluation of Employee's performance or such other criteria as may be established (the "Annual Bonus"). The Annual Bonus may be valued at up to thirty five percent (35%) of such year's Base Salary.

(c) Milestone Bonuses. In addition to any other compensation to which the Employee is entitled, upon the Employer obtaining any of the milestones set forth on Exhibit B hereof, Employee will be entitled to awards of common stock calculated in accordance with Exhibit B hereof. Any such award of common stock shall be subject to the terms of the applicable Award Agreement, in the form attached hereto as Exhibit C.

(d) Long Term Incentive Plan. The Employee shall be entitled to participate in all bonus plans, policies, practices, policies and programs adopted by the Employer and applicable generally to senior of the Employer. At Employee's request, the Employer shall, at the Employer's expense, set up a retirement plan for executives and senior officers of the Employer.

(e) Equity Incentive Plan. The Employee shall be granted the equity rights set forth on Exhibit D. Additionally, the Employee shall be entitled to participate in any and all plans providing for awards of equity or instruments convertible into equity adopted by the Employer and applicable generally to other senior employees of the Employer. When used in this Agreement "Fair Market Value" shall mean: (1) If the Employer's common stock (the "common stock") is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the common stock, the closing or, if not applicable, the last price of the common stock on the composite tape or other comparable reporting system for the trading day on the applicable date and if such applicable date is not a trading day, the last trading day prior to the applicable date; (2) If the common stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the

common stock for the trading day referred to in clause (1), and if bid and asked prices for the common stock are regularly reported, the mean between the bid and the asked price for the common stock at the close of trading in the over-the-counter market for the trading day on which common stock was traded on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date; and (3) If the common stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Employer, in good faith, shall determine.

(f) Equity Repurchase. The Employee shall also have the option during each calendar year that this agreement is in affect to require the Company to purchase up to 100,000 shares of common stock issued by the Company to the Employee or acquired by Employee via vested options at the Fair Market Value of such shares on the date of such request (“Stock Repurchase Rights”). All shares of common stock issued to the Employee by the Company, pursuant to this agreement or any other issuance, shall, at request of executive, be registered for resale on a registration statement filed with the Securities and Exchange Commission on a Form S-8. The Company shall cooperate with the Employee in the implementation of any 10b-5 plan to allow the Employee to sell his shares.

(g) Business Expenses. The Employer shall promptly reimburse the Employee for all reasonable business-related expenses incurred in connection with the performance of the Employee’s duties hereunder in accordance with the policies and procedures then in effect and established by the Employer for its senior employees.

(h) Insurance. The Employer shall provide the Employee with health insurance for the Employee and his dependents. The insurance coverage provided shall be not less than what the Employee has prior to this agreement and in any event not less than 100% coverage at the highest available plan available from the Employer’s current benefits provider for Florida Residents. At a minimum Health will include 100% coverage of medical, dental, vision, and 100% coverage of long-term disability for Employee’s entire Base Salary and accidental death and/or dismemberment. Company will also provide Employee with \$2,500,000 of life insurance with an insurance company rated “A” or higher. Should the Employee elect to not utilize any of the benefits described in this paragraph or any benefits described else in which Agreement, then the Employer will pay to the Employee the equivalent value of such insurance plan or benefit.

(i) Other Benefits. The Employee shall be entitled to participate in all pension, savings and retirement plans, welfare and insurance plans, practices, policies, programs and perquisites of employment applicable generally to other senior employees of the Employer and any benefits or covered expenses included in all previous employment agreements between the Employer and the Employee. Should the Employee defer such benefits for one year it shall not be deemed deferred for any other year.

(j) Vacation. The Employee shall be entitled to accrue up to 21 paid vacation days in each year, which shall be accrued ratably. The Employee shall also be entitled to all paid holidays given by the Company to its executives and employees. Any unused vacation days shall be rolled forward to be used in future years.

(k) Sick Days. The Employee shall be entitled to accrue up to 6 paid sick days in each year, which shall be accrued ratably. Any unused sick days shall be rolled forward to be used in future years.

(l) Withholding. All amounts payable to the Employee under this Section 3 shall be subject to all required federal, state and local withholding, payroll and insurance taxes and requirements.

(m) Direct Payment. To the extent practical, at the request of the Employee, all benefits granted hereunder will be paid directly by the Company to the vendor.

(n) Shares in lieu. In lieu of cash for any payments due to the Employee may elect to receive shares of the Company's common stock valued at the Fair Market Value based upon the date such cash should have been paid to the Employee. The election can be made from 30 days before and 60 days after the date such cash should have been paid to the Employee.

(o) Directed Payment. To the extent permitted by law and the Employee's 2011 Stock Option Plan, the Employee may forgo any cash payment, due hereunder and direct the Company to pay the gross amount of such payment to a third party. To the extent permitted by law, the Employee may defer any payment of any kind due under this agreement including any non-cash payments, hereunder to such later time as determined by the Employee.

4. Termination. The Employee's employment may be terminated under the following circumstances:

(a) Death. The Employee's employment hereunder shall terminate upon his death.

(b) Disability. The Employer may terminate the Employee's employment if the Employee becomes subject to a Disability. For purposes of this Agreement, "Disability" means the Employee is unable to perform the essential functions of his position as Director of Strategic acquisitions, with or without a reasonable accommodation, for a period of 120 consecutive days or 180 days during any rolling consecutive 12-month period. Notice of termination for Disability shall not take effect unless notice of at least 90 days is provided to the Executive. Such notice may not be given (and the Disability not deemed to have occurred) until the Disability is first confirmed in writing by a medical professional mutually acceptable to both the Executive and the Compensation committee.

(c) Termination by Employer for Cause. The Employer may terminate the Employee's employment for Cause. For purposes of this Agreement, "Cause" means the Employee's: (i) willful misconduct or gross negligence which causes material harm to the Employer; (ii) fraud, embezzlement or willful other material dishonesty with respect to the affairs of the Employer or any of its affiliates; (iii) conviction, plea of *nolo contendere*, guilty plea, or confession to either a felony or any lesser crime relating to the affairs of the Employer or any of its affiliates or of which fraud, embezzlement, or moral turpitude is a material element; or (iv) a willful material breach of this Agreement or a willful breach of a fiduciary duty owed to the Employer, provided that any such breach, shall not constitute Cause unless the Employer has provided the Employee with (x) written notice of the acts or omissions giving rise to a termination of his employment for Cause; (y) the opportunity to correct the act or omission within 30 days after receiving the Employer's notice (the "Cure Period"); and (z) an opportunity to be heard before the Board with the Employee's counsel present prior to the Board's decision to terminate the Employee's employment for Cause.

(d) Termination by the Employer without Cause. The Employer may not terminate the Employee's employment during any Term or Renewal Term without Cause.

(e) Termination by the Employee. Unless Employee is sooner terminated for Cause, Employee may terminate his employment, provided the Employee resigns from all positions he holds at the Company or any subsidiary of the Company including as a director, at any time for any reason other than a Good Reason, upon 30 days prior written notice.

(f) Termination by the Employee for Good Reason. The Employee may terminate his employment for Good Reason provided the Employee resigns from all positions he holds at the Company or any subsidiary of the Company. For purposes of this Agreement, “Good Reason” means: (i) a material reduction in the Employee’s Base Salary; (ii) removal of Employee from the Employer’s Board of Directors by the Employer except if such removal was for cause; (iii) the Employer shall have had a Change in Control (as defined below); (iv) Employee’s receipt of a termination notice from the Employer seeking to terminate the Employee’s employment in violation of Section 4(d); or (v) the Employer’s material breach of this Agreement; provided that, within 90 days of the Employer’s act or omission giving rise to a resignation for Good Reason, the Employee notifies the Employer in a writing of the act or omission, the Employer fails to correct the act or omission within 30 days after receiving the Employee’s written notice (the “Cure Period”) and the Employee actually terminates his employment within 60 days after the date the Employer receives the Employee’s notice; provided further that there shall be no Cure Period for removal of Employee from the Board of Directors or a Change in Control. For the purposes of this Agreement a “Change in Control” shall mean any of (a) an acquisition after the date hereof by an individual or legal entity or “group” (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of Employer, by contract or otherwise) of in excess of 50% of the voting securities of Employer, (b) Employer merges into or consolidates with any other person, or any person merges into or consolidates with Employer and, after giving effect to such transaction, the stockholders of Employer immediately prior to such transaction own less than 50% of the aggregate voting power of Employer or the successor entity of such transaction, (c) Employer sells or transfers all or substantially all of its assets to another person and the stockholders of Employer immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, or (d) the Employer not nominating the Employee for reelection as a director.

(g) Expiration. Employee’s employment shall terminate on the Expiration Date.

(h) Termination Date. The “Termination Date” means: (i) if the Employee’s employment is terminated by his death under Section 4(a), the date of his death; (ii) if the Employee’s employment is terminated on account of his Disability under Section 4(b), the date on which the Employer provides the Employee a written termination notice; (iii) if the Employer terminates the Employee’s employment for Cause under Section 4(c), 10 business days after which the Employer provides the Employee a written termination notice unless the circumstances giving rise to the termination are subject to a Cure Period, in which case the date on which the Employer provides the Employee a written termination notice following the end of the Cure Period; (iv) if, despite the restriction against doing so under Section 4(d), the Employer terminates the Employee’s employment without Cause under Section 4(d), the business day on which the Employer provides the Employee a written termination notice; (v) if the Employee terminates or resigns his employment without Good Reason under Section 4(e), immediately upon notice to the Employer from the Employee, or such later date as set forth in the notice, regardless of any termination notices received by the Employee from the Employer; (vi) if the Employee terminates or resigns his employment with Good Reason under Section 4(f), the date on which the Employee provides the Employer a timely written termination notice, except the Termination Date shall be the last day of any relevant cure period, if applicable; and (vii) the Expiration Date if the Employee’s employment terminates under Section 4(g).

5. Compensation upon Termination or Change in Control.

(a) Termination by the Employer for Cause; by the Employee without Good Reason; or upon the Expiration Date. If the Employee’s employment with the Employer is terminated pursuant to Sections 4(c), 4(e), or 4(g) following the Employee’s election not to renew the Term or Renewal Term, the Employer shall pay or provide to the Employee the following amounts through the Termination Date: any earned but unpaid Base Salary, unpaid expense and benefits reimbursements, any earned but unpaid Annual

Bonus, any accrued and unused vacation days (the “Accrued Obligations”) on or before the time required by law but in no event more than 30 days after the Employee’s Termination. Provided however, in the event of a termination under Section 4(e) above, the Employee shall continue to receive fifty percent (50%) of the compensation set forth in Sections 3(a) and 3(h) for one year post termination, as if this Agreement had not been terminated.

(b) Death; Disability. If the Employee’s employment terminates because of his death as provided in Section 4(a) or because of a Disability as provided in Section 4(b), then the Employee (or his authorized representative or estate) shall be entitled to the following:

(i) the Accrued Obligations earned through the applicable Termination Date (payable on or before the time required by law but in no event more than 30 days after the applicable Termination Date);

(ii) a pro-rata portion of the Employee’s Annual Bonus, if any, for the fiscal year in which the Employee’s termination occurs (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Employee is employed by the Employer and the denominator of which is 365) payable at the same time bonuses for such year are paid to other senior Employees of the Employer;

(iii) vest the Employee on the applicable Termination Date for any and all previously granted outstanding equity-incentive awards subject to time-based vesting criteria as if the Employee continued to provide services to the Employer for 12 months following the applicable Termination Date;

(iv) subject to the Employee’s or, in the event of his death, his eligible dependents’ timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), the Employer shall reimburse the Employee or his eligible dependents the monthly premium payable to continue his and his eligible dependents’ participation in the Employer’s group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Employee (and the Employee’s eligible dependents) for a period of eighteen (18) months, provided that the Employee is eligible and remains eligible for COBRA coverage; and provided, further, that in the event that the Employee obtains other employment that offers group health benefits, such continuation of coverage by the Employer shall immediately cease. If the reimbursement of any COBRA premiums would violate the nondiscrimination rules or cause the reimbursement of claims to be taxable under the Patient Protection and Affordable Care Act of 2010, together with the Health Care and Education Reconciliation Act of 2010 (collectively, the “Act”) or Section 105(h) of the Internal Revenue Code (the “Code”), the Employer paid premiums shall be treated as taxable payments and be subject to imputed income tax treatment to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code; and

(v) in the case of a termination due to Disability, in addition to the aforementioned awards, continuation of the Base Salary in effect on the Termination Date until the earlier of (A) the 12-month anniversary of the Termination Date, and (B) the date Employee is eligible to commence receiving payments under the Employer’s long-term disability policy. If the net compensation from the Base Salary is greater than the net compensation from the long-term disability policy, the Employer, through the 12-month anniversary of the Termination Date will compensate the Employee’s estate the difference in net compensation.

(c) Termination by the Employer without Cause, by the Employee with Good Reason. If the Employee's employment is terminated by the Employer without Cause despite the restriction against doing so under Section 4(d), or the Employee terminates his employment for Good Reason as provided in Section 4(f), then the Employee shall be entitled to the following:

(i) the Accrued Obligations earned through the Termination Date, Stock Compensation, bonuses, payments, compensation, benefits, bonuses, milestone payments and any other payment, including but not limited to everything payable under Section 3 of this Agreement earnable through the Expiration Date ("Future Obligations"), payable on or before the time required by law but in no event more than 30 days after the applicable Termination.

(ii) Full vesting of the Employee in any and all previously granted outstanding equity-based incentive awards subject to time-based vesting criteria and any equity grants that would have accrued through the Expiration Date as set forth on Exhibit D or in any other agreement. All such grants, entitlements, rights, including any Compensation Shares, shall be valued at the lower of the Fair Market Value on (A) the date of this Agreement; (B) the Termination Date; or (C) the date of the Change of Control event.

(iii) All rights, benefits, incentives and milestones bonuses or any other Company obligations, including but not limited to any items in Exhibit B or Exhibit D, shall be paid in accordance with the terms of this Agreement as if it was not terminated.

(iv) Subject to the Employee's timely election of continuation coverage under COBRA, the Employer shall reimburse the Employee the monthly premium payable to continue his and his eligible dependents' participation in the Employer's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Employee (and the Employee's eligible dependents) for a period of 18 months, provided that the Employee is eligible and remains eligible for COBRA coverage; and provided, further, that in the event that the Employee obtains other employment that offers group health benefits, such continuation of coverage by the Employer shall immediately cease. If the reimbursement of any COBRA premiums would violate the nondiscrimination rules or cause the reimbursement of claims to be taxable under the Act or Section 105(h) of the Code, the Employer paid premiums shall be treated as taxable payments and be subject to imputed income tax treatment to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code.

(d) No Reason. If the Employee's employment is terminated by the Employee pursuant to Section 4(e) above, the Employee shall continue to receive, as if this Agreement had not been terminated the compensation set forth in Section 3(a), 3(e), and 3(g) for one year post termination.

(e) No Mitigation or Offset. In the event of any termination of Employee's employment hereunder, Employee shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Employer under this Agreement, and there shall be no offset against any amounts due under this Agreement on account of any remuneration attributable to any subsequent employment that Employee may obtain.

(f) Effect of Termination on Officer and Board Positions. Any termination of the Employee with respect to the Employee's standing as an Employee officer or Board Member must expressly designate which such role is subject to termination. The termination of the Employee as an Officer will not thereby terminate the Employee's Board status unless the termination so states, in which event the

Employee shall resign his Board position as a condition to receiving any of the payments set forth in this Section 5.

6. Section 409A Compliance.

(a) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Employer or incurred by the Employee during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(b) To the extent that any of the payments or benefits provided for in Section 5(b), (c) or (d) are deemed to constitute non-qualified deferred compensation benefits subject to Section 409A of the United States Internal Revenue Code (the "Code"), the following interpretations apply to Section 5:

(i) Any termination of the Employee's employment triggering payment of benefits under Section 5(b), (c) or (d) must constitute a "separation from service" under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of the Employee's employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by the Employee to the Employer or any of its parents, subsidiaries or affiliates at the time the Employee's employment terminates), any benefits payable under Section 5(b), (c) or (d) that constitute deferred compensation under Section 409A of the Code shall be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 6(b)(i) shall not cause any forfeiture of benefits on the Employee's part, but shall only act as a delay until such time as a "separation from service" occurs.

(ii) If the Employee is a "specified employee" (as that term is used in Section 409A of the Code and regulations and other guidance issued thereunder) on the date his separation from service becomes effective, any benefits payable under Section 5(b), (c) or (d) that constitute non-qualified deferred compensation under Section 409A of the Code shall be delayed until the earlier of (A) the business day following the six-month anniversary of the date his separation from service becomes effective, and (B) the date of the Employee's death, but only to the extent necessary to avoid such penalties under Section 409A of the Code. On the earlier of (A) the business day following the six-month anniversary of the date his separation from service becomes effective, and (B) the Employee's death, the Employer shall pay the Employee in a lump sum the aggregate value of the non-qualified deferred compensation that the Employer otherwise would have paid the Employee prior to that date under Section 5(b), (c) or (d) of this Agreement.

(iii) It is intended that each installment of the payments and benefits provided under Section 5(b), (c) or (d) of this Agreement shall be treated as a separate "payment" for purposes of Section 409A of the Code.

(iv) Neither the Employer nor the Employee shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

7. Excess Parachute Payments.

(a) To the extent that any payment, benefit or distribution of any type to or for the benefit of the Employee by the Employer or any of its affiliates, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (including, without limitation, any accelerated vesting of stock options or other equity-based awards) (collectively, the “Total Payments”) would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the “Code”), then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount which would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code, but only if the Total Payments so reduced result in the Employee receiving a net after tax amount that exceeds the net after tax amount the Employee would receive if the Total Payments were not reduced and were instead subject to the excise tax imposed on excess parachute payments by Section 4999 of the Code. Unless the Employee shall have given prior written notice to the Employer to effectuate a reduction in the Total Payments if such a reduction is required, any such notice consistent with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Employer shall reduce or eliminate the Total Payments by first reducing or eliminating any cash severance benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of stock options or similar awards, then by reducing or eliminating any accelerated vesting of restricted stock or similar awards, then by reducing or eliminating any other remaining Total Payments. The preceding provisions of this Section 7(a) shall take precedence over the provisions of any other plan, arrangement or agreement governing the Employee’s rights and entitlements to any benefits or compensation.

(b) If the Total Payments to the Employee are reduced in accordance with Section 7(a), as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial reduction under Section 7(a), it is possible that Total Payments to the Employee which will not have been made by the Employer should have been made (“Underpayment”) or that Total Payments to the Employee which were made should not have been made (“Overpayment”). If an Underpayment has occurred, the amount of any such Underpayment shall be promptly paid by the Employer to or for the benefit of the Employee. In the event of an Overpayment, then the Employee shall promptly repay to the Employer the amount of any such Overpayment together with interest on such amount (at the same rate as is applied to determine the present value of payments under Section 280G of the Code or any successor thereto), from the date the reimbursable payment was received by the Employee to the date the same is repaid to the Employer

8. Confidentiality and Restrictive Covenants.

(a) Covenant Against Disclosure. All Confidential Information (defined below) relating to the Business of the Employer and its affiliates is, shall be and shall remain the sole property and confidential business information of them, free of any rights of the Employee. The Employee shall not make any use of the Confidential Information except in the performance of his duties hereunder and shall not disclose any Confidential Information to third parties, without the prior written consent of the Employer. “Confidential Information” includes without limitation such documents as business plans, source code, documentation, financial analysis, marketing plans, customer names, customer lists, customer data, contracts and other business information, including the information of the Employer and its affiliates, existing or prospective customers, clients, investors or other third parties with whom the Employer and its affiliates hereto have relationships or conduct business that may be disclosed to the Employee as part of the Employee’s employment. Notwithstanding anything else set forth herein, nothing in this Agreement shall be construed to prohibit Employee from reporting, without first notifying the Employer or otherwise, possible violations of law or regulation to any governmental agency or entity.

(b) Return of Employer Documents. On the Termination Date or on any prior date upon the Employer's written demand, the Employee will return all Confidential Information in his possession, directly or indirectly, that is in written or other tangible form (together with all duplicates thereof).

(c) Further Covenant. During the Term and through the first anniversary of the Termination Date, the Employee shall not, directly or indirectly, take any of the following actions, and, to the extent the Employee owns, manages, operates, controls, is employed by or participates in the ownership, management, operation or control of, or is connected in any manner with, any business, the Employee will use his best efforts to ensure that such business does not take any of the following actions:

(i) persuade or attempt to persuade any customer of the Company or its affiliates to cease doing business with the Company or its affiliates, or to reduce the amount of business any customer does with the Company or its affiliates;

(ii) solicit for himself or any entity the business of a person or entity that was a customer of the Employer or its affiliates within the 12 months prior to the termination of the Employee's employment, in competition with the Employer or its affiliates; or

(iii) persuade or attempt to persuade any employee of the Employer or its affiliates to leave the employ of the Employer or its affiliates, or hire or engage, directly or indirectly, any individual who was an employee of the Employer or its affiliates within 1 year prior to the Employee's Termination Date.

9. D&O Insurance. At the request of the Employee, the Employer obtain and continue for as long as Employee is employed by the Employer, Directors and Officers insurance coverage ("D & O Insurance"), at levels no less than \$10,000,000 with an insurance company rated "A" or higher. In the event that Company elects to change coverage or carriers for its D & O Insurance, Company shall notify Employee of such change and purchase, at a minimum, a three-year tail policy for such former insurance policy at the sole expense of Company and deliver evidence of such tail policy to Employee within, five (5) days after termination of Company's existing D & O Insurance. Upon the termination of the Employee's employment the Company shall purchase, at a minimum, a three-year tail policy at the sole expense of Company and deliver evidence of such tail policy to Employee.

10. Current Employment Agreement. Any shares or share related compensation which have not yet vested or any bonuses which have not yet been earned pursuant to a prior employment agreement or otherwise approved by the Board will not be affected to the detriment of the Employee by this Agreement. Any bonuses or payments or potential payments previously authorized for the Executive, including without limitation, those associated with Food Hatch and Company spinoffs shall remain in effect and be considered a bonus under this Agreement.

11. Waiver. Except with respect to opportunities in which the Company would be interested in the ordinary course of its business and which are presented to the Employee in his capacity as a director or executive officer of the Company, the Board has renounced on behalf of the Company and its shareholders all interest and expectancy to (or being offered any opportunity to participate in) any opportunity presented to the Employee that may be considered a corporate opportunity of the Company, and the Employee shall have no obligation to communicate, offer, or present any opportunity presented to the Employee that may be considered a corporate opportunity of the Company, whether centered on geography, land rights, or otherwise (the "Renouncement"). The Company acknowledges that the Renouncement is a material term of this Agreement and the Employee is specifically relying on the Renouncement in agreeing to enter into this Agreement. Except with respect to opportunities in which the Company would be interested in the ordinary course of its business and which are presented to the Employee in his capacity as a director or

employee of the Company, to the fullest extent permitted by law, the Company hereby prospectively waives any and all claims arising from any business transacted by the Employee that could be construed as a corporate opportunity of the Company. A copy of the Board resolution is attached hereto as Exhibit E.

12. No Disparagement. During the Term and through the second anniversary of the Termination Date, the Employee will not make public statements or communications that disparage the Employer or any of its businesses, services, products, affiliates or current, former or future directors and Employee officers in their capacity as such. During the Term and through the second anniversary of the Termination Date, the Employer will instruct its directors and Employees not to make public statements or communications that disparage the Employee. The foregoing obligations shall not be violated by truthful statements to any governmental agency or entity, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

13. Non-Compete. During the term of this Agreement and for one year after the termination of this Agreement the Employee shall not, except as a passive investor holding 5% or less of the equity securities of a publicly traded company, have an equity, management, employment, consulting relationship with any person or entity that competes with the Company. In addition to the limitations contained in (a) above, during such one year restricted period, Employee will not engage in any form of commercial enterprise with any of the Company's suppliers, customers, vendors, or potential customers the Company is currently in discussions with, other than for the retail purchase of food as a normal consumer, without written consent from the Employer. If any of the covenants contained in this section or any part thereof, are held by a court of competent jurisdiction to be unenforceable because of the duration or geographic scope of such provision, the activity limited by or the subject of such provision and/or the geographic area covered thereby, then the court making such determination shall construe such restriction so as to thereafter be limited or reduced to be enforceable to the greatest extent permissible by applicable law.

14. Solicitation. Employee agrees that from the date of this Agreement until one (1) year after the termination of this Agreement, Employee will not (i) solicit for himself or any entity the business of a person or entity that was a customer of the Company or its affiliates within the 12 months prior to the termination of this Agreement; or (ii) persuade or attempt to persuade any employee of the Company or its affiliates to leave the employ of the Company or its affiliates, or hire or engage, directly or indirectly, any individual who was an employee of the Company or its affiliates within 1 year prior to the termination of this Agreement, *provided* that the foregoing restrictions shall not apply to (a) any solicitations of customers or employees made pursuant to general advertising; or (b) through search firms that are not directed specifically at employees of the Company.

15. Shares. During the term of this Agreement and for five years thereafter, the Employee agrees all shares of common stock issued by the Company owned or controlled by the Employee whether acquired hereunder or by other means shall be subject to the terms set forth on Exhibit F.

16. Indemnification. During the Term and thereafter, the Employer shall, except for where the Employee's conduct was fraudulent, illegal, willful misconduct, or grossly negligent, indemnify and hold the Employee and the Employee's heirs and representatives harmless, to the maximum extent permitted by law, against any and all damages, costs, liabilities, losses and expenses (including reasonable attorneys' fees) as a result of any claim or proceeding (whether civil, criminal, administrative or investigative), or any threatened claim or proceeding (whether civil, criminal, administrative or investigative), against the Employee that arises out of or relates to the Employee's service as an officer, director or employee, as the case may be, of the Employer, or the Employee's service in any such capacity or similar capacity with any affiliate of the Employer or other entity at the Employer's request, both prior to and after the Effective Date, and to promptly advance to the Employee or the Employee's heirs or representatives such expenses, including litigation costs

and attorneys' fees, upon written request with appropriate documentation of such expense upon receipt of an undertaking by the Employee or on the Employee's behalf to repay such amount if it shall ultimately be determined that the Employee is not entitled to be indemnified by the Company. During the Term and thereafter, the Employer also shall provide the Employee with coverage under its then current directors' and officers' liability policy to the same extent that it provides such coverage to its other Employee officers. If the Employee has any knowledge of any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, as to which the Employee may request indemnity under this provision, the Employee will give the Employer prompt written notice thereof; provided that the failure to give such notice shall not affect the Employee's right to indemnification. The Employer shall be entitled to assume the defense of any such proceeding and the Employee will use reasonable efforts to cooperate with such defense. To the extent that the Employee in good faith determines that there is an actual or potential conflict of interest between the Employer and the Employee in connection with the defense of a proceeding, the Employee shall so notify the Employer and shall be entitled to separate representation at the Employer's expense by counsel selected by the Employee (provided that the Company may reasonably object to the selection of counsel within 10 business days after notification thereof) which counsel shall cooperate, and coordinate the defense, with the Employer's counsel and minimize the expense of such separate representation to the extent consistent with the Employee's separate defense. This Section 16 shall continue in effect after the termination of the Employee's employment or the termination of this Agreement.

17. Disputes.

(a) Any dispute or controversy arising out of or relating to this Agreement or Employee's employment shall be submitted to binding arbitration by JAMS to take place in New York, NY with all such costs to be split by the Employer and Employee. Any dispute or controversy between the parties claim not subject to Arbitration pursuant to the previous sentence shall brought solely in the state and federal courts located in the State and County of New York.

(b) BOTH THE EMPLOYER AND THE EMPLOYEE HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE FEDERAL OR STATE LAW.

(c) In the event of any contest or dispute relating to this Agreement or the termination of Employee's employment hereunder, the prevailing party shall be reimbursed by the other party for 100% of such party's reasonable legal fees and costs in such action.

18. Integration. This Agreement, together with all other documents or agreement referenced herein, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

19. Successors. This Agreement shall inure to the benefit of and be enforceable by the Employee's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Employee's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Employee's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Employee fails to make such designation). The Company shall require any successor to the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

20. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application

of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The Employer and Employee agree that this Agreement is subject to review by tax counsel and in the event any provision of this Agreement would result in severe negative tax treatment for the Employee or the Employer such provision will be deleted, and the Employer and Employee shall negotiate in good faith to amend this Agreement to provide the Employee with a similar benefit without the negative tax treatment.

21. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Employee's employment to the extent necessary to effectuate the terms contained herein.

22. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without reference to principles of conflicts of laws.

23. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. This Agreement may be amended or modified only by a written instrument signed by the Employee and by a duly authorized representative of the Employer.

24. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Employee at the last address the Employee has filed in writing with the Employer or, in the case of the Employer, at its main offices.

If to Employee: Justin Wiernasz
 478 Driftwood Ct.,
 Marco Island, FL 34145

If to Employer: Innovative Food Holdings, Inc.
 28411 Race Track Road
 Bonita Springs, FL 34135
 Attn: CEO
 Fax: (866) 343 – 6491

With a copy to: Feder Kaszovitz LLP
 845 Third Avenue
 New York, New York 10022
 Attn: Howard I. Rhine, Esq.
 Fax: (212) 888-7776

25. Counterparts; Facsimile Execution. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

INNOVATIVE FOOD HOLDINGS, INC.

By: _____
Name:
Title:

JUSTIN WIERNASZ

Exhibit A

Employee's duties, and responsibilities

Employee shall have the title "Director of Strategic Acquisitions." Responsibilities will include: (i) identifying and assisting in the acquisition and integration of strategic assets; (ii) identifying and executing on new growth opportunities; and (iii) identifying and executing growth initiatives for the Company and (iv) other projects and responsibilities as assigned by CEO.

Exhibit B

Market Capitalization Milestones

If the Fair Market Value of the Company's common stock reaches \$1.50 or more for 20 consecutive trading days during the Term (a "Lookback Period"), the Employee shall receive, within five business days following such 20th consecutive trading day, an award of shares of common stock having an aggregate Fair Market Value (based on the average of the Fair Market Values during the Lookback Period) equal to .10% (1/10th of a percent) of the difference between the Total Market Value on the date of this Agreement and the Total Market Value as of such 20th consecutive trading day. As used in this Agreement, "Total Market Value" shall mean the Fair Market Value times the number of outstanding shares on the relevant date. Additionally, if the Total Market Value of the Company reaches \$520,000,000 for 20 consecutive trading days during the Term the Employee shall receive, within five business days following such 20th consecutive trading day, a one-time bonus grant of shares of common stock having an aggregate value equal to 1/2 a percent (.5%) of the Total Market Value and if the Total Market Value of the Company reaches \$750,000,000 for 20 consecutive trading days during the Term the Employee shall receive, within five business days following such 20th consecutive trading day, a one-time bonus grant of shares of common stock having an aggregate value equal to one percent (1%) of the Total Market Value. The Employee will be entitled to earn the applicable percentage for each milestone only once. Fair Market Value, share trading prices, outstanding equity and similar concepts employed herein shall be equitably adjusted to offset stock splits, consolidations, stock dividends and similar events.

While the Employee acknowledges that he is responsible to pay income taxes applicable to any issuances of stock pursuant to meeting the Market Capitalization Milestones, the Company agrees that it shall withhold and pay the taxes on behalf of the Employee for any such grant and will cover additional taxes, if any, owed by the Employee via a net issuance at the time of the issuance of any shares related to Market Capitalization Milestones and/or at the time of a Code 83(b) election, if so requested by the Employee.

Financial and Event Milestones

Employer and Employee agree to negotiate in good faith to finalize bonuses based on financial milestones within a reasonable amount of time after the full execution of this Agreement.

Exhibit D

Annual Award

An annual award of shares of Company common stock having an aggregate value equal to five percent (5%) of the Employee's then Base Salary ("Stock Compensation"). Provide however, in the event of a Change in Control such amount will be increased, retroactively to the date of this Agreement, to 20% of the Employee's then Base Salary and the Company shall issue additional shares so that the Stock Compensation for such time up to the Change in Control will be equal to such increased amount ("Compensation Shares"). Shares, except Compensation Shares which shall be issued within 3 business days of the Change in Control, will be issued in twelve installments on the first business day of each calendar month and will vest monthly as issued (except as outlined below). Unless specified otherwise in this agreement, shares will be valued at the Fair Market Value.

The Employer shall withhold and pay the taxes on behalf of the Employee and will cover any additional taxes owed by the Employee via a net issuance and 83(b) election, if so requested by the Employee. The Employee shall have the right to require the Employer to subject any grant to restrictions as he deems appropriate in his sole discretion, provided that once such restriction is in place, it shall be unwaivable by the Employee.

Treatment upon termination of employment

Death or Disability	All unvested award shares immediately vest on the applicable Termination Date.
Voluntary quit	All unvested award shares that did not yet vest will be cancelled on the last day of employment.
Termination for Cause	All unvested award shares that did not yet vest will be cancelled on the last day of employment.
Termination without Cause or for Good Reason	All unvested award shares immediately vest on the applicable Termination Date.

The terms of any award under this Exhibit D shall be more fully set forth in an Award Agreement. It is expressly acknowledged and agreed that this Exhibit D is a summary of the contemplated terms of the applicable Award Agreement, which shall be subject to the Employer's receipt of all corporate approvals required by applicable law or the rules and regulations of the Principal Market prior to effectiveness thereof. To the extent that there is any conflict between the terms of this Exhibit the applicable Award Agreement, the terms of the Award Agreement shall govern.

Exhibit F

Shares

1. Except for unarranged open market sales and sales made to the current CEO of the Employer, the Employer shall have a right of first refusal to purchase any shares the Employee desires to sell at the Fair Market Value of the shares on the day of the sale.

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement"), is entered into as of January 28, 2019, by and between Innovative Food Holdings, Inc., a Florida corporation (the "Company"), and Sam Klepfish ("Executive").

WHEREAS, the Company recognizes that the Executive has had and is expected to continue to have a critical and essential role in guiding the Company and in developing the Company's business;

WHEREAS, the Executive is expected to make major contributions to the stability, growth and financial strength of the Company;

WHEREAS, the Company has determined that appropriate arrangements should be taken to encourage the continued attention and dedication of the Executive to his assigned duties without distraction;

WHEREAS, in consideration of the Executive's employment with the Company, the Company desires to provide the Executive with certain compensation and benefits as set forth in this Agreement; and

WHEREAS, the Executive desires to be employed by the Company on the terms contained in this Agreement which shall supersede all previous employment agreements regarding the Executive's service as an officer, director and employment by the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Position and Duties.

(a) The Executive shall serve as the Chief Executive Officer ("CEO") of the Company reporting to the Company's Board of Directors (the "Board"). The Executive shall primarily work out of any office he deems appropriate.

(b) The Company agrees to propose to the shareholders of the Company at each appropriate meeting of such shareholders during the Term and any Renewal Term (as such terms are defined below), the election and reelection of the Executive as a member of the Board. In addition, in his capacity as the Company's CEO, the Executive shall either serve as a director, manager, member and senior executive officer of each of the Company's subsidiaries or affiliates, or shall alone act on the Company's behalf in the Company's capacity as member, manager, shareholder, partner, or otherwise as interest holder in respect of any and all of the Company's subsidiaries and affiliates, except that the Executive himself may delegate such function or appoint another in his stead.

(c) The Executive shall have such duties, authority and responsibilities as are consistent with the role of CEO and as may be set forth in the Bylaws of the Company on the date hereof. Executive shall only have duties as arise from this Agreement and any duties or obligations to the Company under any

previous employment agreement are hereby cancelled. For purposes of the applicability of the Company's compensation plans to the Executive, Executive shall be considered an "employee." Nothing herein shall require the Executive to devote more than a substantial amount of his business time to the performance of his duties hereunder. Accordingly, the Executive shall be entitled to (i) serve as an advisor or member of the board of directors of unaffiliated companies, (ii) serve on civic, charitable, educational, religious, public interest or public service boards, (iii) manage the Executive's personal and family investments, and (iv) engage in and/or have an ownership interest in other businesses. In addition, the Executive has disclosed to the Company his involvement in entities and investments other than the Company (collectively, the "Outside Activities"). The Executive is permitted to continue to engage in the Outside Activities. The Company shall also permit the Executive to engage in other business related activities provided that the Executive agrees to disclose to the Board any actual or potential conflict of interest arising out of any such activities.

2. Term. This Agreement and Executive's employment hereunder shall be for an initial term of three (3) years ("Initial Term") commencing on the date hereof (the "Effective Date") and ending on the third anniversary of the Effective Date, unless terminated earlier by the Company or the Executive pursuant to Section 4 of this Agreement (the "Term"). Thereafter, at the election of the Executive or the Company, this Agreement may be extended for an additional two (2) years (the "First Extension"). Thereafter, the Term shall continue for an additional two-year period unless, at least one hundred and eighty (180) days before the expiration of the First Extension, the Company provides notice in writing to the Executive that the Term shall not be further extended. Each such extension shall be referred to as a Renewal Term. The date upon which this Agreement would terminate if both extensions are elected shall be referred to as the Expiration Date.

3. Compensation and Related Matters.

(a) Base Salary. The Executive's initial annual base salary shall be \$300,000 subject to applicable withholdings (the "Base Salary"). The Base Salary shall be payable in accordance with the Company's normal payroll procedures in effect from time to time. On each calendar year the Base Salary will increase no less than \$25,000 ("minimum"). The Compensation Committee of the Board ("Compensation Committee") shall review the Base Salary annually and may increase the Base Salary more than the minimum, and the term "Base Salary" shall refer to such increased amount.

(b) Annual Bonus. During the Term, the Executive may receive an annual cash bonus or equity grant, in respect of each full or partial fiscal year of the Company occurring during the Term, any Stock Compensation (as defined in Exhibit B), as well as other cash and/or stock bonuses, as determined in the sole discretion of the Compensation Committee shall be based on its assessment of the Company and individual performance in relation to performance targets, a subjective evaluation of Executive's performance or such other criteria as may be established (the "Annual Bonus").

(c) Milestone Bonuses. In addition to any other compensation to which the Executive is entitled, upon the Company obtaining any of the milestones set forth on Exhibit A hereof, Executive will be entitled to awards of common stock calculated in accordance with Exhibit A hereof. Any such award of

common stock shall be subject to the terms of the applicable Award Agreement, in the form attached hereto as Exhibit D.

(d) Long Term Incentive Plan. The Executive shall be entitled to participate in all bonus plans, policies, practices, policies and programs adopted by the Company and applicable generally to senior executives and employees of the Company. At Executive's request, the Company shall, at the Company's expense, set up a retirement plan for executives and senior officers of the Company.

(e) Equity Incentive Plan. The Executive shall be granted the equity rights set forth on Exhibit B. Additionally, the Executive shall be entitled to participate in any and all plans providing for awards of equity or instruments convertible into equity adopted by the Company and applicable generally to other senior executives and employees of the Company. When used in this Agreement "Fair Market Value" shall mean: (1) If the Company's common stock (the "common stock") is listed on a national securities exchange or traded in the over-the-counter market and sales prices are regularly reported for the common stock, the closing or, if not applicable, the last price of the common stock on the composite tape or other comparable reporting system for the last trading day prior to the applicable date; (2) If the common stock is not traded on a national securities exchange but is traded on the over-the-counter market, if sales prices are not regularly reported for the common stock for the trading day referred to in clause (1), and if bid and asked prices for the common stock are regularly reported, the mean between the bid and the asked price for the common stock at the close of trading in the over-the-counter market for the trading day on which common stock was traded on the applicable date and if such applicable date is not a trading day, the last market trading day prior to such date; and (3) If the common stock is neither listed on a national securities exchange nor traded in the over-the-counter market, such value as the Compensation Committee and the Executive, in good faith, shall determine.

(f) Equity Repurchase. The Executive shall also have the option during each calendar year that this Agreement is in affect to require the Company to purchase up to 200,000 shares of common stock issued by the Company to the Executive or acquired by Executive via vested options at the Fair Market Value of such shares on the date of such request ("Stock Repurchase Rights"). Provided, however, that upon execution of this Agreement the Executive shall have Stock Repurchase Rights for calendar year 2018 as well. Any unused Stock Repurchase Rights shall be rolled forward to be used in future years. The Company will complete the purchase and funds will be wired to Executive within two business days after Executive submits a purchase request. All shares of common stock issued to the Executive by the Company, pursuant to this Agreement or any other issuance, shall, at request of the Executive, be registered for resale on a registration statement filed with the Securities and Exchange Commission on a Form S-8. The Company shall cooperate with the Executive in the implementation of any 10b-5 plan to allow the Executive to sell his shares.

(g) Business Expenses. The Company shall promptly reimburse the Executive for all reasonable business-related expenses incurred in connection with the performance of the Executive's duties hereunder in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(h) Insurance. The Company shall provide the Executive with health insurance for the Executive and his dependents. The insurance coverage provided shall be not less than what the Executive has prior to this Agreement and in any event not less than 100% coverage at the highest available family plan available from the Company's current benefits provider for NY State Residents. At a minimum Health will include 100% coverage of medical, dental, vision, and 100% coverage of long-term disability for Executive's entire Base Salary and accidental death and/or dismemberment. The Company will also provide Executive with \$2,500,000 of life insurance with an insurance company rated "A" or higher. Should the Executive elect to not utilize any of the benefits described in this paragraph or any benefits described elsewhere in this Agreement, then the Company will pay to the Executive the equivalent value of such insurance plan or benefit.

(i) Other Benefits. The Executive shall be entitled to participate in all pension, savings and retirement plans, welfare and insurance plans, practices, policies, programs and perquisites of employment applicable generally to other senior executives of the Company and any benefits or covered expenses included in all previous employment agreements between the Company and the Executive. Executive shall also receive the same compensation as other members of the Company's Board for his service on the Board. Should the Executive defer such benefits for one year it shall not be deemed deferred for any other year.

(j) Vacation. The Executive shall be entitled to accrue up to 21 paid vacation days in each year, which shall be accrued ratably. The Executive shall also be entitled to all paid holidays given by the Company to its executives and employees. Any unused vacation days shall be rolled forward to be used in future years.

(k) Sick Days. The Executive shall be entitled to accrue up to 6 paid sick days in each year, which shall be accrued ratably. Any unused sick days shall be rolled forward to be used in future years.

(l) Withholding. All amounts payable to the Executive under this Section 3 shall be subject to all required federal, state and local withholding, payroll and insurance taxes and requirements.

(m) Direct Payment. To the extent practical, at the request of the Executive, all benefits granted hereunder will be paid directly by the Company to the vendor.

(n) Shares in lieu. In lieu of cash for any payments due to the Executive including all payments due upon termination of this Agreement, the Executive may elect to receive shares of the Company's common stock valued at the Fair Market Value based upon the date such cash should have been paid to the Executive. The election can be made from 30 days before and 60 days after the date such cash should have been paid to the Executive.

(o) Directed Payment. To the extent permitted by law and the Company's 2011 Stock Option Plan, the Executive may forgo any payment, option grant, or stock grant due hereunder and direct the Company to pay the gross amount of such payment to a third party. To the extent permitted by law, the Executive may defer any payment of any kind due under this Agreement including any non-cash payments, hereunder to such later time as determined by the Executive.

4. Termination. The Executive's employment may be terminated under the following circumstances:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive's employment if the Executive becomes subject to a Disability. For purposes of this Agreement, "Disability" means the Executive is unable to perform the essential functions of his position as CEO, with or without a reasonable accommodation, for a period of 120 consecutive days or 180 days during any rolling consecutive 12-month period. Notice of termination for Disability shall not take effect unless notice of at least 90 days is provided to the Executive. Such notice may not be given (and the Disability not deemed to have occurred) until the Disability is first confirmed in writing by a medical professional mutually acceptable to both the Executive and the Compensation Committee.

(c) Termination by Company for Cause. The Company may terminate the Executive's employment for Cause. For purposes of this Agreement, "Cause" means the Executive's: (i) willful misconduct or gross negligence which causes material harm to the Company; (ii) fraud, embezzlement or willful other material dishonesty with respect to the affairs of the Company or any of its affiliates; (iii) conviction, plea of *nolo contendere*, guilty plea, or confession to either a felony or any lesser crime relating to the affairs of the Company or any of its affiliates or of which fraud, embezzlement, or moral turpitude is a material element; or (iv) a willful material breach of this Agreement or a willful breach of a fiduciary duty owed to the Company. Provided that any such Cause, except for Cause pursuant to subsection 4(c)(iii), shall not constitute Cause unless the Company has provided the Executive with (x) written notice of the acts or omissions giving rise to a termination of his employment for Cause; (y) the opportunity to correct the act or omission within 30 days after receiving the Company's notice (the "Cure Period"); and (z) a meaningful opportunity to be heard before the Board with the Executive's counsel present at least two business days prior to the Board's decision to provide a Termination for Cause notice the Executive.

(d) Termination by the Company without Cause. The Company may not terminate the Executive's employment during any Term or Renewal Term without Cause.

(e) Termination by the Executive for Any Reason. The Executive may terminate his employment at any time for any reason.

(f) Termination by the Executive for Good Reason. The Executive may terminate his employment for Good Reason. For purposes of this Agreement, "Good Reason" means: (i) a material reduction in the Executive's Base Salary; (ii) a material diminution in the Executive's responsibilities as CEO; (iii) the assignment of duties to the Executive materially inconsistent with his position as CEO; (iv) the requirement that the Executive relocate his primary place of employment from Executive's current location, (v) the Company shall have had a Change in Control (as defined below); (vi) Executive receipt of a termination notice from the Company seeking to terminate the Executive's employment in violation of Section 4(d); or (vii) the Company's material breach of this Agreement. For the purposes of this Agreement a "Change in Control" shall mean any of the following to occur: (1) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated

under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of Company, by contract or otherwise) in excess of 15% of the voting securities of Company, (2) Company merges into or consolidates with any other person, or any person merges into or consolidates with Company and, after giving effect to such transaction, the stockholders of Company immediately prior to such transaction own less than 50% of the aggregate voting power of Company or the successor entity of such transaction, (3) if the Executive ceases to be a director of the Company for any reason except a voluntary resignation by the Executive, (4) Company sells or transfers all or substantially all of its assets to a non-affiliated person or entity, (5) during the term of this Agreement individuals, who at the time of the signing of this Agreement, constitute the Board, cease for any reason to constitute a majority of the Board, (6) replacement at one time or within a five year period of one-half or more of the members of the Board, (7) an actual or threatened contested proxy, including but not limited to, the actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, (8) a person or group of people acting in concert to acquire, manage, vote or otherwise exercise control over 15% or more of the outstanding common stock of the Company, (9) the Company not nominating the Executive for reelection as a director, or (10) the execution by Company of an agreement to which Company is a party or by which it is bound, providing for any of the events set forth in clauses (1) through (9) above. A Change in Control shall be deemed to have occurred after any action taken in furtherance of such event or if the Change in Control occurs as a result of a change in circumstances without any specific action taken.

(g) Expiration. Executive's employment shall terminate on the final day of the Term if there is no election to renew the Term or renew the Renewal Term.

(h) Termination Date. The "Termination Date" means: (i) if the Executive's employment is terminated by his death under Section 4(a), the date of his death; (ii) if the Executive's employment is terminated on account of his Disability under Section 4(b), the date on which the Company provides the Executive a written termination notice; (iii) if the Company terminates the Executive's employment for Cause under Section 4(c), 10 business days after which the Company provides the Executive a written termination following the end of any Cure Period; (iv) if, despite the restriction against doing so under Section 4(d), the Company terminates the Executive's employment without Cause, 30 days after the date on which the Company provides the Executive a written termination notice; (v) if the Executive terminates or resigns his employment without Good Reason under Section 4(e), immediately upon notice to the Company from the Executive, or such later date as set forth in the notice, regardless of any termination notice given at any time by the Company to the Executive; (vi) if the Executive terminates or resigns his employment with Good Reason under Section 4(f), the date on which the Executive provides the Company a written termination notice regardless of any termination notice given at any time by the Company to the Executive, except the Termination Date shall be the last day of any relevant Cure Period, if applicable. Provided further, the Executive must terminate within one (1) year of the event, act, or omission giving rise to such termination with each such event, act, or omission having its own one-year time period; and (vii) the Expiration Date if the Executive's employment terminates under Section 4(g). If an occurrence of any event or any change in circumstances described in Section 4(f) occurs at any time prior to the Termination Date, the Executive may exercise his rights under Section 4(f)

regardless of any exercise by the Company of its rights under this Agreement or any other agreement, whether any such exercise by the Company of any of its rights occurs before or after Executive's exercise of his rights under Section 4(f). If more than one Termination Date is applicable hereunder, Executive shall select the Termination Date.

5. Compensation upon a Good Reason, Change in Control or Termination.

(a) Termination by the Company for Cause; by the Executive without Good Reason; or upon the Expiration Date. If the Executive's employment with the Company is terminated pursuant to Sections 4(c), 4(e), or 4(g) following the Executive's election not to renew the Term or Renewal Term, the Company shall pay or provide to the Executive the following amounts through the Termination Date: any earned but unpaid Base Salary, unpaid expense and benefits reimbursements, any earned but unpaid Annual Bonus, and any accrued and unused vacation days (the "Accrued Obligations") on or before the time required by law but in no event more than 30 days after the Executive's Termination Date. Provided however, in the event of a termination under Section 4(e) above, the Executive shall continue to receive, as if this Agreement had not been terminated the compensation set forth in Sections 3(a) and 3(c) and 3(h) for one year post termination, provided however the compensation amount set forth in Section 3(a) shall be paid as if such year was the final year of this Agreement prior to the Expiration Date.

(b) Death; Disability. If the Executive's employment terminates because of his death as provided in Section 4(a) or because of a Disability as provided in Section 4(b), then the Executive (or his authorized representative or estate) shall be entitled to the following:

(i) the Accrued Obligations earned through the applicable Termination Date (payable on or before the time required by law but in no event more than 30 days after the applicable Termination Date);

(ii) a pro-rata portion of the Executive's Annual Bonus, if any, for the fiscal year in which the Executive's termination occurs (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Executive is employed by the Company and the denominator of which is 365) payable at the same time bonuses for such year are paid to other senior executives of the Company;

(iii) vest the Executive on the applicable Termination Date for any and all previously granted outstanding equity-incentive awards subject to time-based vesting criteria as if the Executive continued to provide services to the Company for 12 months following the applicable Termination Date;

(iv) subject to the Executive's or, in the event of his death, his eligible dependents' timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall reimburse the Executive or his eligible dependents the monthly premium payable to continue his and his eligible dependents' participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which

covers the Executive (and the Executive's eligible dependents) for a period of eighteen (18) months, provided that the Executive is eligible and remains eligible for COBRA coverage; and provided, further, that in the event that the Executive obtains other employment that offers group health benefits, such continuation of coverage by the Company shall immediately cease. If the reimbursement of any COBRA premiums would violate the nondiscrimination rules or cause the reimbursement of claims to be taxable under the Patient Protection and Affordable Care Act of 2010, together with the Health Care and Education Reconciliation Act of 2010 (collectively, the "Act") or Section 105(h) of the Internal Revenue Code (the "Code"), the Company paid premiums shall be treated as taxable payments and be subject to imputed income tax treatment to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code; and

(v) in the case of a termination due to Disability, in addition to the aforementioned awards, continuation of the Base Salary in effect on the Termination Date until the earlier of (A) the 12-month anniversary of the Termination Date, and (B) the date Executive is eligible to commence receiving payments under the Company's long-term disability policy. If the net compensation from the Base Salary is greater than the net compensation from the long-term disability policy, the Company, through the 12-month anniversary of the Termination Date will compensate the Executive's estate the difference in net compensation.

(c) Termination by the Company without Cause, by the Executive with Good Reason. If the Executive's employment is terminated by the Company without Cause despite the restriction against doing so under Section 4(d), or the Executive terminates his employment for Good Reason as provided in Section 4(f), then the Executive shall be entitled to the following:

(i) The Accrued Obligations and all Base Salary (at the increased rate set forth in Section 5(d)), Stock Compensation, bonuses, payments, compensation, benefits, bonuses, milestone payments and any other payment, including but not limited to everything payable under Section 3 of this Agreement earnable through the Expiration Date ("Future Obligations"), payable on or before the time required by law but in no event more than 30 days after the applicable Termination.

(ii) Full vesting of the Executive of any and all previously granted outstanding equity-based incentive awards subject to time-based vesting criteria and any equity grants that would have accrued through the Expiration Date as set forth on Exhibit B or in any other agreement. All such grants, entitlements and rights, including any Compensation Shares and shares pursuant to Section 3(n) above, shall be valued at the lower of the Fair Market Value on (A) the date of this Agreement; (B) the Termination Date; or (C) the date of the Change of Control event.

(iii) Unless specified elsewhere in this Agreement for the benefit of the Executive, all rights, benefits, incentives and milestones bonuses or any other Company obligations, including but not limited to any items in Exhibit A or Exhibit B, shall be paid in accordance with the terms of this Agreement as if it was not terminated.

(iv) Subject to the Executive's timely election of continuation coverage under COBRA, the Company shall reimburse the Executive the monthly premium payable to continue his and his

eligible dependents' participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Executive (and the Executive's eligible dependents) for a period of 18 months, provided that the Executive is eligible and remains eligible for COBRA coverage; and provided, further, that in the event that the Executive obtains other employment that offers group health benefits, such continuation of coverage by the Company shall immediately cease. If the reimbursement of any COBRA premiums would violate the nondiscrimination rules or cause the reimbursement of claims to be taxable under the Act or Section 105(h) of the Code, the Company paid premiums shall be treated as taxable payments and be subject to imputed income tax treatment to the extent necessary to eliminate any discriminatory treatment or taxation under the Act or Section 105(h) of the Code.

(v) Executive shall retain the proxy to vote any shares of common stock for which the Company has been granted a long-term proxy to vote such shares through the Expiration Date, unless the Executive is earlier terminated for Cause. Provided however if the Executive contests the termination for Cause, Executive shall retain such right until a final non-appealable court or arbitration decision that there was Cause.

(d) Change in Control or Good Reason. In addition to the Executive's other rights described herein, upon a Change in Control or Good Reason, even if this Agreement is not terminated, the Base Salary for the calendar year in which the Change in Control or Good Reason occurs and all subsequent increases through the Expiration Date shall automatically and immediately increase until the Expiration Date by twenty percent (20%) from the Base Salary amounts otherwise set forth herein. All payments made to the Executive upon a Termination shall be calculated at the increased Base Salary calculated by this Section. In addition, the Fair Market Value milestones and the Total Market Value milestones in Exhibit A shall automatically decrease by 30% until the Expiration Date. Any Compensation Shares (as defined in Exhibit B) issued upon a Change in Control or Good Reason shall be valued at the lower of the Fair Market Value on (A) the date of this Agreement; or (B) the date of the Change of Control or Good Reason event.

(e) No Mitigation or Offset. In the event of any termination of Executive's employment hereunder, Executive shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Company under this Agreement, and there shall be no offset against any amounts due under this Agreement on account of any remuneration attributable to any subsequent employment that Executive may obtain.

(f) Effect of Termination as Officer on Board Position. Any termination of the Executive with respect to the Executive's standing as an executive officer must expressly designate which such role is subject to termination. The termination of the Executive as an officer will not thereby terminate the Executive's Board status.

(g) Default. In the event the Company fails to make any payment or issue any stock owed pursuant to this Section 5, even if such failure was because of a good faith belief that such amount were not due or payable, then commencing on the fifth (5th) day after such payment or stock issuance was

due (the “Default Date”) interest shall accrue in cash at the rate of 24% per annum on such payment or the Full Market Value of such stock from the Default Date until such payment is made or stock is issued.

6. Section 409A Compliance.

(a) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(b) To the extent that any of the payments or benefits provided for in Section 5(b), (c) or (d) are deemed to constitute non-qualified deferred compensation benefits subject to Section 409A of the Code, the following interpretations apply to Section 5:

(i) Any termination of the Executive’s employment triggering payment of benefits under Section 5(b), (c) or (d) must constitute a “separation from service” under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before distribution of such benefits can commence. To the extent that the termination of the Executive’s employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by the Executive to the Company or any of its parents, subsidiaries or affiliates at the time the Executive’s employment terminates), any benefits payable under Section 5(b), (c) or (d) that constitute deferred compensation under Section 409A of the Code shall be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 6(b)(i) shall not cause any forfeiture of benefits on the Executive’s part, but shall only act as a delay until such time as a “separation from service” occurs.

(ii) If the Executive is a “specified employee” (as that term is used in Section 409A of the Code and regulations and other guidance issued thereunder) on the date his separation from service becomes effective, any benefits payable under Section 5(b), (c) or (d) that constitute non-qualified deferred compensation under Section 409A of the Code shall be delayed until the earlier of (A) the business day following the six-month anniversary of the date his separation from service becomes effective, and (B) the date of the Executive’s death, but only to the extent necessary to avoid such penalties under Section 409A of the Code. On the earlier of (A) the business day following the six-month anniversary of the date his separation from service becomes effective, and (B) the Executive’s death, the Company shall pay the Executive in a lump sum the aggregate value of the non-qualified deferred compensation that the Company otherwise would have paid the Executive prior to that date under Section 5(b), (c) or (d) of this Agreement.

(iii) It is intended that each installment of the payments and benefits provided under Section 5(b), (c) or (d) of this Agreement shall be treated as a separate “payment” for purposes of Section 409A of the Code.

(iv) Neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A of the Code.

7. Excess Parachute Payments.

(a) To the extent that any payment, benefit or distribution of any type to or for the benefit of the Executive by the Company or any of its affiliates, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (including, without limitation, any accelerated vesting of stock options or other equity-based awards) (collectively, the “Total Payments”) would be subject to the excise tax imposed under Section 4999 of the Code, then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar (\$1.00) less than the amount which would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code, but only if the Total Payments so reduced result in the Executive receiving a net after tax amount that exceeds the net after tax amount the Executive would receive if the Total Payments were not reduced and were instead subject to the excise tax imposed on excess parachute payments by Section 4999 of the Code. Unless the Executive shall have given prior written notice to the Company to effectuate a reduction in the Total Payments if such a reduction is required, any such notice consistent with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating any cash severance benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of stock options or similar awards, then by reducing or eliminating any accelerated vesting of restricted stock or similar awards, then by reducing or eliminating any other remaining Total Payments. The preceding provisions of this Section 7(a) shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive’s rights and entitlements to any benefits or compensation.

(b) If the Total Payments to the Executive are reduced in accordance with Section 7(a), as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial reduction under Section 7(a), it is possible that Total Payments to the Executive which will not have been made by the Company should have been made (“Underpayment”) or that Total Payments to the Executive which were made should not have been made (“Overpayment”). If an Underpayment has occurred, the amount of any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive. In the event of an Overpayment, then the Executive shall promptly repay to the Company the amount of any such Overpayment together with interest on such amount (at the same rate as is applied to determine the present value of payments under Section 280G of the Code or any successor thereto), from the date the reimbursable payment was received by the Executive to the date the same is repaid to the Company.

8. Confidentiality and Restrictive Covenants.

(a) **Covenant Against Disclosure.** All Confidential Information (defined below) relating to the business of the Company and its affiliates is, shall be and shall remain the sole property and confidential business information of them, free of any rights of the Executive. The Executive shall not make any use of the Confidential Information except in the performance of his duties hereunder and, except as he reasonably believes is necessary or appropriate with respect to the performance of his duties, shall not disclose any Confidential Information to third parties, without the prior written consent of the Company. "Confidential Information" includes without limitation such documents as business plans, source code, documentation, financial analysis, marketing plans, customer names, customer lists, customer data, contracts and other business information, including the information of the Company and its affiliates, existing or prospective customers, clients, investors or other third parties with whom the Company and its affiliates hereto have relationships or conduct business that may be disclosed to the Executive as part of the Executive's employment. Notwithstanding anything else set forth herein, nothing in this Agreement shall be construed to prohibit Executive from reporting, without first notifying the Company or otherwise, possible violations of law or regulation to any governmental agency or entity.

(b) **Return of Company Documents.** On the Termination Date or on any prior date upon the Company's written demand, the Executive will return all Confidential Information in his possession, directly or indirectly, that is in written or other tangible form (together with all duplicates thereof).

(c) **Further Covenants.** During the Term and through the first anniversary of the Termination Date, the Executive shall not, directly or indirectly, take any of the following actions, and, to the extent the Executive owns, manages, operates, controls, is employed by or participates in the ownership, management, operation or control of, or is connected in any manner with, any business, the Executive will use his best efforts to ensure that such business does not take any of the following actions:

(i) persuade or attempt to persuade any customer of the Company or its affiliates to cease doing business with the Company or its affiliates, or to reduce the amount of business any customer does with the Company or its affiliates;

(ii) solicit for himself or any entity the business of a person or entity that was a customer of the Company or its affiliates within the 12 months prior to the termination of the Executive's employment, in competition with the Company or its affiliates; or

(iii) persuade or attempt to persuade any employee of the Company or its affiliates to leave the employ of the Company or its affiliates, or hire or engage, directly or indirectly, any individual who was an employee of the Company or its affiliates within 1 year prior to the Executive's Termination Date, unless such employee was terminated by the Company. It shall not be a breach of this provision if the Executive hires one non-executive level employee of the Company within one (1) year of the Termination Date.

9. **D&O Insurance.** At the request of the Executive, the Company shall obtain and continue for as long as Executive is employed by the Company, Directors and Officers insurance coverage ("D & O").

Insurance”), at levels no less than \$10,000,000 with an insurance company rated “A” or higher. In the event that Company elects to change coverage or carriers for its D & O Insurance, Company shall notify Executive of such change and purchase, at a minimum, a three-year tail policy for such former insurance policy at the sole expense of Company and deliver evidence of such tail policy to Executive within five (5) days after termination of Company’s existing D & O Insurance. Upon the termination of the Executive’s employment the Company shall purchase, at a minimum, a three-year tail policy at the sole expense of Company and deliver evidence of such tail policy to Executive.

10. Current Employment Agreement. Any shares or share related compensation which have not yet vested or any bonuses which have not yet been earned pursuant to a prior employment agreement or otherwise approved by the Board will not be affected to the detriment of the Executive by this Agreement. Any bonuses or payments or potential payments previously authorized for the Executive, including without limitation, those associated with Food Hatch and Company spinoffs shall remain in effect and be considered a bonus under this Agreement.

11. Waiver. Except with respect to opportunities in which the Company would be interested in the ordinary course of its business and which are presented to the Executive in his capacity as a director or executive officer of the Company, the Board has renounced on behalf of the Company and its shareholders all interest and expectancy to (or being offered any opportunity to participate in) any opportunity presented to the Executive that may be considered a corporate opportunity of the Company, and the Executive shall have no obligation to communicate, offer, or present any opportunity presented to the Executive that may be considered a corporate opportunity of the Company, whether centered on geography, land rights, or otherwise (the “Renouncement”). The Company acknowledges that the Renouncement is a material term of this Agreement and the Executive is specifically relying on the Renouncement in agreeing to enter into this Agreement. Except with respect to opportunities in which the Company would be interested in the ordinary course of its business and which are presented to the Executive in his capacity as a director or executive officer of the Company, to the fullest extent permitted by law, the Company hereby prospectively waives any and all claims arising from any business transacted by the Executive that could be construed as a corporate opportunity of the Company. A copy of the Board resolution is attached hereto as Exhibit C.

12. No Disparagement. During the Term and through the second anniversary of the Termination Date, the Executive will not make public statements or communications that disparage the Company or any of its businesses, services, products, affiliates or current, former or future directors and executive officers in their capacity as such. During the Term and through the second anniversary of the Termination Date, the Company will instruct its directors and executives not to make public statements or communications that disparage the Executive. The foregoing obligations shall not be violated by truthful statements to any governmental agency or entity, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

13. Non-Compete. During the term of this Agreement and for one year after the termination of this Agreement the Executive shall not, except as a passive investor holding 5% or less of the equity

securities of a publicly traded company, have an equity, management, employment, consulting relationship with any person or entity that directly competes with the Company. In addition to the limitations contained in the preceding sentence, during the term of this Agreement and for one year after the termination of this Agreement, Employee will not engage in any form of commercial enterprise with any of the Company's customers or potential customers the Company is currently in discussions with, other than for the retail purchase of food as a normal consumer. If any of the covenants contained in this section or any part thereof, are held by a court of competent jurisdiction to be unenforceable because of the duration or geographic scope of such provision, the activity limited by or the subject of such provision and/or the geographic area covered thereby, then the court making such determination shall construe such restriction so as to thereafter be limited or reduced to be enforceable to the greatest extent permissible by applicable law.

14. Indemnification. During the Term and thereafter, the Company shall indemnify and hold the Executive and the Executive's heirs and representatives harmless, to the maximum extent permitted by law, against any and all damages, costs, liabilities, losses and expenses (including reasonable attorneys' fees) as a result of any claim or proceeding (whether civil, criminal, administrative or investigative), or any threatened claim or proceeding (whether civil, criminal, administrative or investigative), against the Executive that arises out of or relates to the Executive's service as an officer, director or employee, as the case may be, of the Company, or the Executive's service in any such capacity or similar capacity with any affiliate of the Company or other entity at the Company's request, both prior to and after the Effective Date, and to promptly advance to the Executive or the Executive's heirs or representatives such expenses, including litigation costs and attorneys' fees, upon written request with appropriate documentation of such expense and the Company shall also indemnify Executive for any claims related to this Agreement. During the Term and thereafter, the Company also shall provide the Executive with coverage under its then current D&O Insurance to the same extent that it provides such coverage to its other executive officers. If the Executive has any knowledge of any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, as to which the Executive may request indemnity under this provision, the Executive will give the Company prompt written notice thereof; provided that the failure to give such notice shall not affect the Executive's right to indemnification. The Company shall be entitled to assume the defense of any such proceeding and the Executive will use reasonable efforts to cooperate with such defense. To the extent that the Executive in good faith determines that there is an actual or potential conflict of interest between the Company and the Executive in connection with the defense of a proceeding, the Executive shall so notify the Company and shall be entitled to separate representation at the Company's expense by counsel selected by the Executive which counsel shall cooperate, and coordinate the defense, with the Company's counsel and minimize the expense of such separate representation to the extent consistent with the Executive's separate defense. This Section 14 shall continue in effect after the termination of the Executive's employment or the termination of this Agreement.

15. Disputes.

(a) Any dispute or controversy arising out of or relating to this Agreement or Executive's employment shall be brought solely in the state and federal courts located in the State and County of

New York. Provided however, the Executive shall have the right to submit any such dispute to binding arbitration to by AAA or JAMS to take place in New York NY with all such costs to be paid by the Company.

(b) BOTH THE COMPANY AND THE EXECUTIVE HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE FEDERAL OR STATE LAW.

(c) The Company shall pay all of Executive's legal expenses with respect to any such dispute regardless of who initiates the suit or any claims being made regarding the conduct of the Executive. Such payments shall be made on a monthly basis and shall be billed directly to the Company and will be considered an obligation of the Company. The Executive shall be entitled to seek preliminary injunctive relief from a Court or Arbitrator as appropriate to ensure such payments are made.

16. Integration. This Agreement, together with all other documents or agreement referenced herein, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

17. Successors. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation). The Company shall require any successor to the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

18. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The Company and Executive agree that this agreement is subject to review by tax counsel and in the event any provision of this Agreement would result in severe negative tax treatment for the Executive or the Company such provision will be deleted, and the Company and Executive shall negotiate in good faith to amend this Agreement to provide the Executive with a similar benefit without the negative tax treatment. Any ambiguity in any provision in this Agreement or in any other agreement between the Executive and the Company will be construed in a manner most beneficial to the Executive. The limitations and restrictions contained in Sections 8(c), and 13 shall not apply if the agreement is terminated by the Executive for Good Reason or by the Company without Cause.

19. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

20. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

21. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices.

If to Executive: Sam Klepfish
1983 New York Avenue
Brooklyn, NY 11210

If to Company: Innovative Food Holdings, Inc.
28411 Race Track Road
Bonita Springs, FL 34135
Attn: CFO
Fax: (866) 343 – 6491

With a copy to: Feder Kaszovitz LLP
845 Third Avenue
New York, New York 10022
Attn: Howard I. Rhine, Esq.
Fax: (212) 888-7776

22. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

23. Governing Law. This is a New York contract and shall be construed under and be governed in all respects by the laws of New York for contracts to be performed in that State and without giving effect to the conflict of laws principles of New York or any other State.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

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IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

INNOVATIVE FOOD HOLDINGS, INC.

By: _____

Name:

Title:

SAM KLEPFISH

Exhibit A

Market Capitalization Milestones

If the Fair Market Value of the Company's common stock reaches \$1.50 or more for 20 consecutive trading days during the Term (a "Lookback Period"), the Executive shall receive, within five business days following such 20th consecutive trading day, an award of shares of common stock having an aggregate Fair Market Value (based on the average of the Fair Market Values during the Lookback Period) equal to 1.5% of the difference between the Total Market Value on the date of this Agreement and the Total Market Value as of such 20th consecutive trading day. For every \$0.50 increase in the Fair Market Value of the Company's common stock above \$1.50 during a Lookback Period, the Executive will receive within five business days following each such lookback Period an award of common stock having an aggregate Fair Market Value (based on the average of the Fair Market Values during the Lookback Period) equal to 2% of the difference between the Total Market Value on the last trading day of the previous Lookback Period for which an award was payable and the Total Market Value on the last trading day for which the additional award is payable. As used in this Agreement, "Total Market Value" shall mean the Fair Market Value times the number of outstanding shares on the relevant date. Additionally, if the Total Market Value of the Company reaches \$520,000,000 for 20 consecutive trading days during the Term the Executive shall receive, within five business days following such 20th consecutive trading day, a one-time bonus grant of shares of common stock having an aggregate value equal to two percent (2%) of the Total Market Value and if the Total Market Value of the Company reaches \$750,000,000 for 20 consecutive trading days during the Term the Executive shall receive, within five business days following such 20th consecutive trading day, a one-time bonus grant of shares of common stock having an aggregate value equal to five percent (5%) of the Total Market Value. The Executive will be entitled to earn the applicable percentage for each milestone only once. Fair Market Value, share trading prices, outstanding equity and similar concepts employed herein shall be equitably adjusted to offset stock splits, consolidations, stock dividends and similar events.

While the Executive acknowledges that he is responsible to pay income taxes applicable to any issuances of stock pursuant to meeting the Market Capitalization Milestones, the Company agrees that it shall withhold and pay the taxes on behalf of the Executive for any such grant and will cover additional taxes, if any, owed by the Executive via a net issuance at the time of the issuance of any shares related to Market Capitalization Milestones and/or at the time of a Code 83(b) election, if so requested by the Executive.

Financial Milestones

EBIDTA. If the Company's EBIDTA for any fiscal year shall exceed an amount agreed to by the Executive and the Compensation Committee, then the Company shall pay the Executive a cash bonus of an amount agreed to by the Executive and the Compensation Committee.

The Compensation Committee and the Executive agree to negotiate in good faith to finalize these bonuses within a reasonable amount of time, but no later than the end of the first fiscal quarter of each year.

The total cash bonuses paid for meeting the Financial Milestones shall not exceed 25% of the Executive's Base Salary for any fiscal year.

Exhibit B

Annual Award

An annual award of shares of Company common stock having an aggregate value equal to half the Executive's then Base Salary ("Stock Compensation"). Provided however, in the event of a Change in Control or any act or omission that would be deemed a Good Reason, even if this Agreement is not terminated, such amount will be increased, until the Expiration Date and retroactively to the effective date of this Agreement, to 100% of the Executive's Base Salary and the Company shall issue additional shares so that the Stock Compensation for such time up to the Change in Control or act or omission that would be deemed a Good Reason and after the Change of Control or act or omission that would be deemed a Good Reason until the Expiration Date will be equal to such increased amount ("Compensation Shares"). Any Compensation Shares shall be issued within three (3) business days of the Change in Control event or act or omission that would be deemed a Good Reason. Stock Compensation shares shall be issued in twelve installments on the first business day of each calendar month and will vest monthly as issued (except as outlined below). Unless specified otherwise in this Agreement, shares will be valued at the Fair Market Value on the last trading day prior to each month's issuance. The above notwithstanding, the amount of shares to be issued as Stock Compensation for 2019 shall be computed as of the last trading day in 2018.

While the Executive acknowledges that he is responsible to pay income taxes applicable to any issuances of stock pursuant to meeting the Annual Award, the Company agrees that it shall withhold and pay the taxes on behalf of the Executive and will cover any additional taxes owed by the Executive via a net issuance at time of issuance of any shares related to the Annual Award and/or at the time of a Code 83(b) election, if so requested by the Executive.

Treatment upon termination of employment

Death or Disability	All unvested award shares immediately vest on the applicable Termination Date.
Voluntary quit	All unvested award shares that did not yet vest will be cancelled on the last day of employment.
Termination for Cause	All unvested award shares that did not yet vest will be cancelled on the last day of employment.
Termination without Cause or for Good Reason	All unvested award shares immediately vest on the applicable Termination Date.

The terms of any award under this Exhibit B shall be more fully set forth in an Award Agreement. It is expressly acknowledged and agreed that this Exhibit B is a summary of the contemplated terms of the applicable Award Agreement, which shall be subject to the Company's

receipt of all corporate approvals required by applicable law or the applicable rules and regulations prior to effectiveness thereof. To the extent that there is any conflict between the terms of this Exhibit B and the applicable Award Agreement, the terms of the Award Agreement shall govern.

DIRECTOR AGREEMENT

This DIRECTOR AGREEMENT is dated as of January 28, 2019 (the “Agreement”) by and between Innovative Food Holdings, Inc., a Florida corporation (the “Company”), and the individual identified on the signature page hereto (the “Director”).

WHEREAS, the Company previously appointed the Director and desires to enter into an agreement with the Director with respect to such appointment;

WHEREAS, the Director accepted such appointment and desires to enter into an agreement with the Company with respect to such appointment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. **Position.** Subject to the terms and provisions of this Agreement, the Company shall cause the Director to be appointed, and the Director hereby agrees to serve the Company in such position upon the terms and conditions hereinafter set forth, provided, however, that the Director’s continued service on the Board of Directors of the Company (the “Board”) after the initial one-year term on the Board shall be subject to any necessary approval by the Company’s stockholders. This Agreement shall not derogate from a Director’s rights and benefits under any other agreement, including any employment agreement, with the Company.

2. **Duties.**

(a) During the Directorship Term (as defined herein), the Director make reasonable business efforts to attend all Board meetings and quarterly pre-scheduled Board and Management conference calls, serve on appropriate subcommittees as reasonably requested and agreed upon by the Board, make himself available to the Company at mutually convenient times and places, attend external meetings and presentations when agreed on in advance, as appropriate and convenient, and perform such duties, services and responsibilities, and have the authority commensurate to such position.

(b) The Director will use his best efforts to promote the interests of the Company. The Company recognizes that the Director (i) is or may become a full-time executive employee of another entity and that his responsibilities to such entity must have priority and (ii) sits or may sit on the board of directors of other entities, subject to any limitations set forth by the Sarbanes-Oxley Act of 2002 and limitations provided by any exchange or quotation service on which the Company’s common stock is listed or traded. Notwithstanding the same, the Director will provide the Company with prior written notice of any future commitments to such entities and use reasonable business efforts to coordinate his respective commitments so as to fulfill his obligations to the Company and, in any event, will fulfill his legal obligations as a Director. Other than as set forth above, the Director will not, without the prior notification to the Board, engage in any other business activity which could materially interfere with the performance of his duties, services and responsibilities hereunder or which is in violation of the reasonable policies established from time to time by the Company, provided that the foregoing shall in no way limit

his activities on behalf of (i) any current employer and its affiliates or (ii) the board of directors of any entities on which he currently sits. At such time as the Board receives such notification, the Board may require the resignation of the Director if it determines that such business activity does in fact materially interfere with the performance of the Director's duties, services and responsibilities hereunder.

3. Compensation.

(a) Cash Retainer. The Company shall immediately pay Director an initial cash retainer of forty-five thousand dollars (\$45,000) (the "Initial Compensation"). Commencing on January 1, 2019 the Company shall pay the Director thirty thousand dollars (\$30,000.00) per calendar year during Director's period of Service ("Retainer"), payable in quarterly installments in arrears. Only Independent Directors, as defined in Section 6(b) below, shall receive any benefits under this Section.

(b) Stock. Upon the execution of this agreement, the Director shall receive \$45,000 worth of restricted common stock of the Company issued at the fair market value on the date this agreement is executed and effective (the "Initial Stock Grant"). Commencing on January 1, 2019 and every calendar year thereafter, the Company shall issue to the Director \$30,000 worth of restricted shares of the Company's common stock, pursuant and subject to the Company's 2011 Stock Option Plan. The shares shall vest in equal amounts quarterly over a three (3) year period. If the Director ceases to be a director of the Company before such vesting period is over any unvested shares shall be cancelled and returned to the treasury. Only Independent Directors shall receive any benefits under this Section

(c) Options. Commencing on January 1, 2019 as compensation for 2019-2021, the Company shall grant the Director options to purchase shares of the Company's common stock, pursuant and subject to the Company's 2011 Stock Option Plan as set forth on the following table:

Price per Option	Number of Options	Vesting	Expires
\$0.62	90,000	Quarterly over 3 years	5 years from date they are granted
\$0.85	135,000		
\$1.20	225,000		

All options granted hereunder shall be exercisable for five (5) years from the date they are granted. The options shall vest ratably every calendar quarter over three (3) years from the date they are granted. Notwithstanding the foregoing, if the Director ceases to be a member of Board at any time during the vesting period for any reason (such as resignation, withdrawal, death, disability or any other reason) except for a removal for cause, then half of any unvested options shall immediately vest and the other half of the unvested options shall be irrefutably forfeited. Furthermore, the Director agrees that the shares acquired upon exercise of an option shall be subject to any "lock up" agreement required to be signed by the Company's officers in connection with any financing. Upon a removal for cause any unvested options shall be irrevocably forfeited.

(d) Independent Contractor. The Director's status during the Directorship Term shall be that of an independent contractor and not, for any purpose, that of an employee or agent with authority to bind the Company in any respect. All payments and other consideration made or provided to the Director under this Section 3 shall be made or provided without withholding or deduction of any kind, and the Director shall assume sole responsibility for discharging all tax or other obligations associated therewith.

(e) Expense Reimbursements. During the Directorship Term, the Company shall reimburse the Director for all reasonable out-of-pocket expenses incurred by the Director in attending any in-person meetings, provided that the Director complies with the generally applicable policies, practices and procedures of the Company for submission of expense reports, receipts or similar documentation of such expenses. Any reimbursements for allocated expenses (as compared to out-of-pocket expenses of the Director in excess of \$500.00) must be approved in advance by the Company.

4. Directorship Term. The "Directorship Term," as used in this Agreement, shall mean the period commencing on the date the Director first became appointed to the Board and terminating on the earlier of the date of the next annual stockholders meeting and the earliest of the following to occur: (a) the death of the Director; (b) the termination of the Director from his membership on the Board by the mutual agreement of the Company and the Director; (c) the removal of the Director from the Board by the majority stockholders of the Company; and (d) the resignation by the Director from the Board.

5. Director's Representation and Acknowledgment. The Director represents to the Company that his execution and performance of this Agreement shall not be in violation of any agreement or obligation (whether or not written) that he may have with or to any person or entity, including without limitation, any prior or current employer. The Director hereby acknowledges and agrees that this Agreement (and any other agreement or obligation referred to herein) shall be an obligation solely of the Company, and the Director shall have no recourse whatsoever against any stockholder of the Company or any of their respective affiliates with regard to this Agreement.

6. Director Covenants.

(a) Unauthorized Disclosure. An Independent Director agrees and understands that in the Independent Director's position with the Company, the Independent Director has been and will be exposed to and receive information relating to the confidential affairs of the Company, including, but not limited to, technical information, business and marketing plans, strategies, customer information, other information concerning the Company's products, promotions, development, financing, expansion plans, business policies and practices, and other forms of information considered by the Company to be confidential and in the nature of trade secrets. The Independent Director agrees that during the Directorship Term and thereafter, the Independent Director will keep such information confidential and will not disclose such information, either directly or indirectly, to any third person or entity without the prior written consent of the Company; provided, however, that (i) the Independent Director shall have no such obligation to the extent such information is or becomes publicly known or generally known in the Company's

industry other than as a result of the Independent Director's breach of his obligations hereunder and (ii) the Independent Director may, after giving prior notice to the Company to the extent practicable under the circumstances, disclose such information to the extent required by applicable laws or governmental regulations or judicial or regulatory process. This confidentiality covenant has no temporal, geographical or territorial restriction. Upon termination of the Directorship Term, the Independent Director will promptly return to the Company and/or destroy at the Company's direction all property, keys, notes, memoranda, writings, lists, files, reports, customer lists, correspondence, tapes, disks, cards, surveys, maps, logs, machines, technical data, other product or document, and any summary or compilation of the foregoing, in whatever form, including, without limitation, in electronic form, which has been produced by, received by or otherwise submitted to the Independent Director in the course or otherwise as a result of the Independent Director's position with the Company during or prior to the Directorship Term, provided that the Company shall retain such materials and make them available to the Independent Director if requested by him in connection with any litigation against the Independent Director under circumstances in which (i) the Independent Director demonstrates to the reasonable satisfaction of the Company that the materials are necessary to his defense in the litigation and (ii) the confidentiality of the materials is preserved to the reasonable satisfaction of the Company.

(b) **Non-Solicitation.** During the Directorship Term and for a period of three (3) years thereafter, an Independent Director shall not interfere with the Company's relationship with, or endeavor to entice away from the Company, any person who, on the date of the termination of the Directorship Term and/or at any time during the one year period prior to the termination of the Directorship Term, was an employee or customer of the Company or otherwise had a material business relationship with the Company. "Independent Director" shall mean a Director who is not an employee of the Company.

(c) **Non-Compete.** An Independent Director agrees that during the Directorship Term and for a period of two (2) years thereafter, he shall not in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor or employee of or consultant to any other corporation or enterprise; engage in the business of developing, marketing, selling or supporting technology to or for businesses in which the Company engages in or in which the Company has an actual intention, as evidenced by the Company's written business plans, to engage in, within any geographic area in which the Company is then conducting such business. Nothing in this Section 6 shall prohibit an Independent Director from being (i) a stockholder in a mutual fund or a diversified investment company or (ii) a passive owner of not more than three percent of the outstanding stock of any class of securities of a corporation, which are publicly traded, so long as the Independent Director has no active participation in the business of such corporation.

(d) **Insider Trading Guidelines.** Director agrees to execute the Company's Insider Trading Guidelines in the form attached hereto.

(e) **Remedies.** The Director agrees that any breach of the terms of this Section 6 would result in irreparable injury and damage to the Company for which the Company would have no adequate remedy at law; the Director therefore also agrees that in the event of said breach or any threat of breach, the Company shall be entitled to an immediate injunction and restraining

order to prevent such breach and/or threatened breach and/or continued breach by the Director and/or any and all entities acting for and/or with the Director, without having to prove damages or paying a bond, in addition to any other remedies to which the Company may be entitled at law or in equity. The terms of this paragraph shall not prevent the Company from pursuing any other available remedies for any breach or threatened breach hereof, including, but not limited to, the recovery of damages from the Director. The Director acknowledges that the Company would not have entered into this Agreement had the Director not agreed to the provisions of this Section 6.

(f) The provisions of this Section 6 shall survive any termination of the Directorship Term, and the existence of any claim or cause of action by the Director against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements of this Section 6.

7. Indemnification. The Company agrees to indemnify the Director for his activities as a member of the Board to the fullest extent permitted under applicable law and shall use its best efforts to maintain Directors and Officers Insurance benefitting the Board. The Company will use its best efforts to obtain a \$10,000,000 D&O Policy to cover the actions of the Board.

8. Non-Waiver of Rights. The failure to enforce at any time the provisions of this Agreement or to require at any time performance by the other party hereto of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement or any part hereof, or the right of either party hereto to enforce each and every provision in accordance with its terms. No waiver by either party hereto of any breach by the other party hereto of any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at that time or at any prior or subsequent time.

9. Notices. Every notice relating to this Agreement shall be in writing and shall be given by personal delivery or by registered or certified mail, postage prepaid, return receipt requested; to:

If to the Company:

28411 Race Track Road
Bonita Springs, FL 34135
Attn: CEO
Fax: 866-3436491

If to the Director:

To the address set forth on the signature page.

Either of the parties hereto may change their address for purposes of notice hereunder by giving notice in writing to such other party pursuant to this Section 9.

10. Binding Effect/Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives,

estates, successors (including, without limitation, by way of merger) and assigns. Notwithstanding the provisions of the immediately preceding sentence, neither the Director nor the Company shall assign all or any portion of this Agreement without the prior written consent of the other party.

11. Entire Agreement. This Agreement (together with the other agreements referred to herein) sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, between them as to such subject matter, except that any conflict between this Agreement and any other agreement to which a Director and the Company are parties shall be resolved to the benefit of the Director.

12. Severability. If any provision of this Agreement, or any application thereof to any circumstances, is invalid, in whole or in part, such provision or application shall to that extent be severable and shall not affect other provisions or applications of this Agreement.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to the principles of conflict of laws. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any court in New York County, New York and the parties hereto hereby consent to the jurisdiction of such courts in any such action or proceeding; provided, however, that neither party shall commence any such action or proceeding unless prior thereto the parties have in good faith attempted to resolve the claim, dispute or cause of action which is the subject of such action or proceeding through mediation by an independent third party.

14. Legal Fees. The parties hereto agree that the non-prevailing party in any dispute, claim, action or proceeding between the parties hereto arising out of or relating to the terms and conditions of this Agreement or any provision thereof (a "Dispute"), shall reimburse the prevailing party for reasonable attorney's fees and expenses incurred by the prevailing party in connection with such Dispute; provided, however, that the Director shall only be required to reimburse the Company for its fees and expenses incurred in connection with a Dispute if the Director's position in such Dispute was found by the court, arbitrator or other person or entity presiding over such Dispute to be frivolous or advanced not in good faith.

15. Modifications. Neither this Agreement nor any provision hereof may be modified, altered, amended or waived except by an instrument in writing duly signed by the party to be charged.

16. Tense and Headings. Whenever any words used herein are in the singular form, they shall be construed as though they were also used in the plural form in all cases where they would so apply. The headings contained herein are solely for the purposes of reference, are not part of this Agreement and shall not in any way affect the meaning or interpretation of this Agreement.

17. Mutual Non-Disparagement. From the date of this Agreement and for three years after the Director ceases to be a director of the Company, Director and the Company mutually agree to forbear from making, causing to be made, publishing, ratifying or endorsing any and all disparaging remarks, derogatory statements or comments made to any party with respect to either

of them. Further, the parties hereto agree to forbear from making any public or non-confidential statement with respect to the any claim or complain against either party without the mutual consent of each of them, to be given in advance of any such statement.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the Company has caused this Director Agreement to be executed by authority of its Board of Directors, and the Director has hereunto set his hand, on the day and year first above written.

INNOVATIVE FOOD HOLDINGS, INC.

By: _____
Name:
Title:

Director Signature

Director Address

Initial if the Director is an Independent Director